



Date: 4 February 2003
Ref: CDM-EB-07

EXECUTIVE BOARD OF THE CLEAN DEVELOPMENT MECHANISM

SEVENTH MEETING

Report

Date of meeting: 20–21 January 2003

Location: Bonn, Germany

Attendance:

The names of members and alternate members present at the meeting are in bold type. If only the name of the alternate member is bolded, the alternate participated as a member.

Member	Alternate
Mr. John W. Ashe ¹	<i>Mr. Tuiloma Neroni Slade</i> ¹
Mr. Jean-Jacques Becker ²	<i>Mr. Martin Enderlin</i> ²
Mr. John Shaibu Kilani ²	<i>Mr. Ndiaye Cheikh Sylla</i> ²
Mr. Luiz Gylvan Meira Filho ²	<i>Mr. Eduardo Sanhueza</i> ²
Mr. Sozaburo Okamatsu ²	<i>Ms Sushma Gera</i> ²
Mr. Oleg Pluzhnikov ¹	<i>Ms Marina Shvangiradze</i> ¹
Mr. Hassan Tajik ²	<i>Mr. Chow Kok Kee</i> ²
Mr. Hans Jürgen Stehr ¹	<i>Mr. Georg Børsting</i> ¹
Mr. Franz Tattenbach Capra ¹	<i>(vacant)</i> ¹
Mr. Abdelhay Zerouali ¹	<i>Mr. Xuedu Lu</i> ¹

¹ Term: 2 years e.g. 2001–03

² Term: 3 years e.g. 2001–04

Quorum (in parenthesis required numbers): **9** (7) members present of which **4** (3) from Annex I Parties and **5** (4) from non-Annex I Parties.

WWW broadcasting: <http://unfccc.int/cdm/prevmeeting.html> (else: <http://unfccc.int/cdm>)

Agenda item 1. Adoption of the agenda

1. The outgoing Chair recalled the adoption of decision 21/CP.8 on “Guidance to the CDM Executive Board”. The Chair highlighted that a challenging year lies ahead of the Board and pointed in particular to the tasks of accrediting operational entities, approving new methodologies, registering CDM project activities and eventually issuing certified emission reductions.

2. The Board adopted the agenda as proposed.

**Agenda item 2. Election of Chair and Vice-Chair**

3. The Board elected Mr. Hans Jürgen Stehr and Mr. Franz Tattenbach Capra as Chair and Vice-Chair, respectively, of the Executive Board until the first meeting of the Board in 2004. On behalf of the Board, the new Chair expressed deep appreciation to the outgoing Chair Mr. John W. Ashe and Vice-Chair Mr. Sozaburo Okamatsu for their excellent leadership during the first year of the Board's operations.

Agenda item 3. Work plan**Agenda sub-item (a): Accreditation process for operational entities**

4. The Chair of the CDM accreditation panel (CDM-AP), Mr. John Kilani, presented an oral report on the status of work of the panel which met from 6 to 7 December 2002 in Johannesburg, South Africa (CDM-AP04). The Board took note of the report and, in particular, of the following:

(a) Four additional applications for accreditation were received, two from the Asia and Pacific region and two from the Western Europe and Others region. One application from the Asia and Pacific region is from a non-Annex I Party;

(b) The seven previous applications are at different stages of desk review. The fifth meeting of the CDM-AP is expected to consider some of the reports of these desk reviews;

(c) The CDM-AP, with support from the secretariat, has been making efforts to increase the number of applications of experts to be included in the roster of experts for assessment teams (CDM-ATs), in particular from developing countries;

(d) The CDM-AP is currently revising the terms of reference for CDM-ATs; the revisions will be submitted to the Board for consideration at its eighth meeting;

(e) Based on current experience with applicant entities, the CDM-AP is preparing for the possible revision of forms for applicant entities;

(f) In accordance with paragraph 5 (g) of the modalities and procedures for the CDM (CDM M&P), the CDM-AP is currently considering the "Standards for accreditation of designated operational entities (DOEs)" contained in appendix A of the CDM M&P with a view to developing recommendations for their possible future elaboration;

(g) In witnessing the validation of a project activity by an applicant entity, the process for approving a new methodology needs to be taken into account (see annex 1 of this report).

5. The Board agreed on the "Procedure for accrediting operational entities by the Executive Board of the CDM" (see annex 2 of this report), having considered recommendations by the CDM-AP and comments received from the European Union and its member states.

6. In accordance with paragraph 23 of this Procedure, the secretariat shall make publicly available on the UNFCCC CDM web site the names of applicant entities and the list of scopes for which they have applied.

7. The Board requested the secretariat to prepare a note on issues relating to fixed and variable cost components regarding the accreditation procedure for its eighth meeting.

8. The Board agreed to the following clarification regarding tasks to be undertaken by a DOE if it has determined, in accordance with paragraph 38 of the CDM M&P, that the project activity intends to use a new baseline or monitoring methodology: the DOE shall check whether documents are complete

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and forward, without further analysis, the new methodology to the Board for its review and approval. After approval of the new methodology by the Board, the same DOE, or another DOE, shall undertake the validation of the project activity in accordance with the CDM M&P.

Agenda sub-item (b): Methodologies for baselines and monitoring plans

9. The Board took note of the oral report by the Chair of the panel on baseline and monitoring methodologies (Meth Panel), Mr. Luiz Gylvan Meira Filho, on the work of the panel.
10. The Board considered recommendations by the Meth Panel and agreed on a glossary of terms for the CDM-PDD as contained in annex 4 of this report.
11. The Board noted with appreciation the adoption by the Conference of the Parties (COP), by its decision 21/CP.8, of simplified modalities and procedures for small-scale CDM project activities (SSC M&P).
12. The Board considered recommendations by the Meth Panel and 20 public comments and agreed on the simplified project design document for small-scale CDM project activities (SSC-PDD version 01), indicative simplified methodologies for CDM small-scale project activities, and provisions for avoiding debundling, as contained in annexes 5, 6 and 7 of this report. The Board requested the secretariat to incorporate these annexes in the SSC M&P and make the package publicly available on the UNFCCC CDM web site.
13. The Board further emphasized that, in accordance with the SSC M&P, project participants may propose new small-scale CDM project activity categories and amendments or revisions to simplified methodologies to the Board for its approval. It also recalled that the Board shall review and amend, as necessary, at least once a year, the indicative simplified methodologies for small-scale CDM project activities. In accordance with this mandate, the Board agreed that the Meth Panel, drawing on outside expertise on small-scale project activities, including former members of the panel to recommend draft simplified modalities and procedures for small-scale CDM project activities as appropriate, shall continue considering the annex on indicative simplified methodologies for CDM small-scale project activities.
14. The Board also agreed to revisit at its eighth meeting the CDM-PDD version 01 and the SSC-PDD version 01 to ensure consistency between the two and to ensure that all information relevant for determining possible conflicts of interest has been requested.

Agenda sub-item (c): Matters related to the registration of CDM project activities

15. The Board shared general views regarding matters relating to registration of CDM project activities. It agreed to nominate Mr. Georg Børsting, Mr. Chow Kok Kee and Mr. Abdelhay Zerouali to develop, with the assistance of the secretariat, a draft paper on matters relevant to registration of CDM project activities, including review procedures, for consideration by the Board at its eighth meeting.

Agenda sub-item (d): Modalities for collaboration with the Subsidiary Body for Scientific and Technological Advice

16. The Board took note of an oral report by the Chair on ongoing deliberations regarding registries and definitions and modalities for including afforestation and reforestation projects under Article 12 in the first commitment period. The Board requested the secretariat to provide an update on these issues via list serve.
17. The Board thanked the members who have followed the above issues during the year 2002.

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18. The Board invited:

(a) Mr. Martin Enderlin and Mr. Eduardo Sanhueza to continue following deliberations by the SBSTA on the definitions and modalities for including afforestation and reforestation projects under Article 12 in the first commitment period.

(b) Ms. Sushma Gera and Mr. Xuedu Lu to continue following deliberations by the SBSTA on technical standards for registries and work relating to the CDM registry.

Agenda item 4. Other matters**Agenda sub-item (a): Rules of Procedure**

19. The Board took note of the adoption by the COP, by its decision 21/CP.8, of the Rules of Procedure of the Executive Board.

20. The Board agreed to consider possible recommendations regarding the Rules of Procedure at its tenth meeting.

Agenda sub-item (b): Other business**(i) Scheduling of Board meetings in 2003**

21. The Board agreed on the dates of its meetings for the first half of 2003 (see annex 8 of this report). The Board agreed to hold its eighth meeting in Bonn, Germany, on 19–20 March 2003.

22. The Board agreed on the provisional agenda for its eighth meeting (see annex 9 of this report) and invited comments before 20 February 2003.

23. The Board agreed to continue to meet in the same type of arrangement as during its seventh meeting, with space being made available for 50 observers, and to reconsider the issue when necessary. Observers to the eighth meeting of the Executive Board shall have registered with the secretariat by 27 February 2003 at 17:00 GMT, at the latest.

(ii) Availability of resources

24. The Board took note of an oral report by the secretariat on the status of financial resources available for the work of the CDM.

25. The Board reiterated its appeal to Parties to provide resources for the prompt start of the CDM.

(iii) Replacement

26. The Board took note of the resignation of Mr. Abdulmuhsen Al-Sunaid, alternate member from non-Annex I Parties, and expressed its appreciation for his contribution to the work of the Board.

27. Regarding the process for nominating a replacement, in accordance with Rules 4 and 8 of the Rules of Procedure of the Executive Board, the Board requested Mr. Franz Tattenbach Capra, Vice Chair of the Board, to facilitate the process with the relevant constituency, with a view to appointing the nominated alternate member at its eighth meeting.

(iv) Relationship with intergovernmental and non-governmental organizations

28. The Board agreed to meet with registered observers for informal briefings in the afternoon of 20 March 2003.

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29. The Board took note with appreciation of information forwarded to it by the public since its sixth meeting.

(v) Other issues

30. The Board encouraged the secretariat to establish an official e-mail broadcasting facility to announce CDM matters, including a facility to subscribe to the web site, and requested the secretariat to report on progress on this at the next meeting.

31. The Board agreed to hold, in conjunction with the eighth meeting of the Board, a joint workshop for the Executive Board, the CDM-AP and the Meth Panel as well as for CDM-AT members in Bonn, Germany. The workshop will be recorded and the recording used in the training of experts from the accreditation and the methodology rosters of experts. The Board agreed on a provisional agenda for the workshop (see annex 3 of this report).

32. The Board agreed that, while performing their functions as Chair and Vice-Chair of a meeting of a panel established by the Executive Board, the Chair and Vice-Chair of a panel shall be eligible to receive a lump-sum assessed at the same level as the fee for panel members.

Agenda item 5. Conclusion of the meeting

33. The Chair summarized the main conclusions.

Agenda sub-item (a): Summary of decisions

34. Any decisions taken by the Board shall be made publicly available in accordance with paragraph 17 of the CDM M&P and with Rule 31 of the Rules of Procedure of the Executive Board.

Agenda sub-item (b): Closure

35. The Chair closed the meeting.



Annex 9

PROVISIONAL AGENDA FOR THE EIGHTH MEETING OF THE EXECUTIVE BOARD

1. Adoption of the agenda
2. Work plan:
 - (a) Accreditation of operational entities
 - (b) Methodologies for baselines and monitoring plans
 - (c) Matters related to the registration of CDM project activities
 - (d) CDM registry
 - (e) Modalities for collaboration with SBSTA
3. Other matters
4. Conclusion
